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**Introduced by Senator Scott**February 21, 2003

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An act to amend Section 69432.7 of the Education Code, relating to student financial aid.

## LEGISLATIVE COUNSEL'S DIGEST

SB 728, as introduced, Scott. Student financial aid: Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program.

Existing law, known as the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Act, establishes the Cal Grant A and B entitlement programs, the California Community College Transfer Cal Grant Entitlement Program, and the Competitive Cal Grant A and B awards under the administration of the Student Aid Commission, and establishes eligibility requirements for awards under these programs. To be eligible for these awards, applicants must establish that their household income and asset levels do not exceed specified amounts.

This bill would provide that any applicant who qualifies to be considered under the simplified needs test established by federal law for student assistance shall be presumed to meet the asset level requirements established by the act.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 69432.7 of the Education Code is
- 2 amended to read:
- 3 69432.7. As used in this chapter, the following terms have the
- 4 following meanings:



1 (a) An “academic year” is July 1 to June 30, inclusive. The  
2 starting date of a session shall determine the academic year in  
3 which it is included.

4 (b) “Access costs” means living expenses and expenses for  
5 transportation, supplies, and books.

6 (c) “Award year” means one academic year, or the equivalent,  
7 of attendance at a qualifying institution.

8 (d) “College grade point average” and “community college  
9 grade point average” mean a grade point average calculated on the  
10 basis of all college work completed, except for nontransferable  
11 units and courses not counted in the computation for admission to  
12 a California public institution of higher education that grants a  
13 baccalaureate degree.

14 (e) “Commission” means the Student Aid Commission.

15 (f) “Enrollment status” means part-time status or full-time  
16 status.

17 (1) Part time, for purposes of Cal Grant eligibility, is defined  
18 as 6 to 11 semester units, inclusive, or the equivalent.

19 (2) Full time, for purposes of Cal Grant eligibility, is defined  
20 as 12 or more semester units or the equivalent.

21 (g) “Expected family contribution,” with respect to an  
22 applicant, shall be determined using the federal methodology  
23 pursuant to subdivision (a) of Section 69506 (as established by  
24 Title IV of the federal Higher Education Act of 1965, as amended  
25 (20 U.S.C. Sec. 1070 et seq.)) and applicable rules and regulations  
26 adopted by the commission.

27 (h) “High school grade point average” means a grade point  
28 average calculated on a 4.0 scale, using all academic coursework,  
29 for the sophomore year, the summer following the sophomore  
30 year, the junior year, and the summer following the junior year,  
31 excluding physical education, reserve officer training corps  
32 (ROTC), and remedial courses, and computed pursuant to  
33 regulations of the commission. However, for high school  
34 graduates who apply after their senior year, “high school grade  
35 point average” includes senior year coursework.

36 (i) “Instructional program of not less than one academic year”  
37 means a program of study that results in the award of an associate  
38 or baccalaureate degree or certificate requiring at least 24 semester  
39 units or the equivalent, or that results in eligibility for transfer from  
40 a community college to a baccalaureate degree program.



(j) “Instructional program of not less than two academic years” means a program of study that results in the award of an associate or baccalaureate degree requiring at least 48 semester units or the equivalent, or that results in eligibility for transfer from a community college to a baccalaureate degree program.

(k) “Maximum household income and asset levels” means the applicable household income and household asset levels for participants in the Cal Grant Program, as defined and adopted in regulations by the commission for the 2001–02 academic year, which shall be set pursuant to the following income and asset ceiling amounts:

CAL GRANT PROGRAM INCOME CEILINGS

	Cal Grant A, C, and T	Cal Grant B
Dependent and Independent students with dependents*		
Family Size		
Six or more	\$74,100	\$40,700
Five	\$68,700	\$37,700
Four	\$64,100	\$33,700
Three	\$59,000	\$30,300
Two	\$57,600	\$26,900
Independent		
Single, no dependents	\$23,500	\$23,500
Married	\$26,900	\$26,900

\*Applies to independent students with dependents other than a spouse.

CAL GRANT PROGRAM ASSET CEILINGS

	Cal Grant A, C, and T	Cal Grant B
Dependent**	\$49,600	\$49,600
Independent	\$23,600	\$23,600

\*\*Applies to independent students with dependents other than a spouse.

1 The commission shall annually adjust the maximum household  
2 income and asset levels based on the percentage change in the cost  
3 of living within the meaning of paragraph (1) of subdivision (e) of  
4 Section 8 of Article XIII B of the California Constitution. *Any*  
5 *applicant who qualifies to be considered under the simplified*  
6 *needs test established by federal law for student assistance shall*  
7 *be presumed to meet the asset level test under this section.*

8 (l) “Qualifying institution” means any of the following:

9 (1) Any California private or independent postsecondary  
10 educational institution that participates in the Pell Grant program  
11 and in at least two of the following federal campus-based student  
12 aid programs:

13 (A) Federal Work-Study.

14 (B) Perkins Loan Program.

15 (C) Supplemental Educational Opportunity Grant Program.

16 (2) Any nonprofit institution headquartered and operating in  
17 California that certifies to the commission that 10 percent of the  
18 institution’s operating budget, as demonstrated in an audited  
19 financial statement, is expended for the purposes of institutionally  
20 funded student financial aid in the form of grants, that  
21 demonstrates to the commission that it has the administrative  
22 capacity to administer the funds, that is accredited by the Western  
23 Association of Schools and Colleges, and that meets any other  
24 state-required criteria adopted by regulation by the commission in  
25 consultation with the Department of Finance. A regionally  
26 accredited institution that was deemed qualified by the  
27 commission to participate in the Cal Grant Program for the  
28 2000–01 academic year shall retain its eligibility as long as it  
29 maintains its existing accreditation status.

30 (3) Any California public postsecondary educational  
31 institution.

32 (m) “Satisfactory academic progress” means those criteria  
33 required by applicable federal standards published in Title 34 of  
34 the Code of Federal Regulations. The commission may adopt  
35 regulations defining “satisfactory academic progress” in a  
36 manner that is consistent with those federal standards.